

# **INTERIM REPORT OF THE HIGHER EDUCATION LONG-RANGE PLAN STEERING COMMITTEE**

*New Jersey and its colleges and universities embrace their shared responsibility to create and sustain a higher education system that is among the best in the world, enabling all people to achieve their maximum potential, fostering democratic principles, improving the quality of life, and supporting the state's success in a global economy.*

## **OVERVIEW**

The above vision statement for higher education in New Jersey has been endorsed by the Long-Range Plan Steering Committee. It grows out of a broad-based planning process that was initiated to provide a clear vision for higher education in New Jersey and a long-term state plan to achieve that vision.

The advent of a new Governor, Administration, and Legislature in January 2002 provided an opportune time to plan for the future. The 1994 Higher Education Restructuring Act granted college and university governing boards considerable autonomy to fulfill their institutional missions and statewide needs. The Commission on Higher Education, working in close collaboration with the Presidents' Council and college and university trustees, adopted a long-range plan for higher education in 1996 that was reviewed and updated in 1999; several of the plan's recommendations have been implemented over the past six years. We now have the opportunity to establish state expectations and a clear direction for higher education. A state vision and strategic objectives are critical to New Jersey's prosperity, economic competitiveness, and quality of life.

The Steering Committee is pleased to present this interim report on the progress of the planning process. This document is provided for discussion at Governor James E. McGreevey's Higher Education Summit on November 11, 2002, and to inform the completion of a state plan for higher education by spring 2003.

The planning process began in April when the Commission on Higher Education met with college and university presidents and board of trustee chairpersons to adopt a planning framework. (See Appendix A.) The framework called for engagement in the planning process of state leaders and the various stakeholders who are responsible for or benefit from higher education. The process has been broadly inclusive; approximately 100 individuals from various constituencies attended an initial planning conference in May, and over 90 individuals have been actively engaged in working teams. (See Appendix B for list of conference participants, teams, and the Steering Committee.)

Relying on feedback from the many stakeholders who participated in the May meeting, a Vision Team proposed the statement cited above. The vision statement was drafted to articulate the state's broad aspirations for its system of higher education, recognizing that specificity will be provided through the development of state objectives and action plans.

To begin the process of developing objectives, the Issue Organization Team identified four broad, fundamental issues related to resources, capacity, responsiveness, and quality; the team also elaborated on sub-issues in each area. Subsequently, four broadly representative core issue teams gave further definition to the issues, summarized varying and sometimes contradictory perspectives, and ultimately reached consensus on proposed state objectives to achieve the vision for higher education in New Jersey. The report amassed from the diligent and indispensable work of the four core issue teams is provided herein as a context from which to identify the most critical objectives the state should pursue over the next several years in order to achieve its vision for higher education.

The Steering Committee has organized and integrated the four core issue teams' proposed state objectives into categories that will facilitate discussion as the planning process continues. Given the interrelationship of the higher education issues, the work of the teams sometimes overlapped or resulted in parallel proposals. Similar objectives have been combined, and in some cases where objectives covered two topics, they have been divided. A consolidated list of the objectives begins on page 3.

Governor McGreevey's Higher Education Summit on November 11 will provide an opportunity to discuss fundamental higher education issues and the proposed vision and state objectives. Following the summit, several public forums will be held around the state to seek broad-based opinion regarding the issues facing higher education and the primary objectives to address them. The Steering Committee will review the feedback from the summit and the public forums, align it with administration priorities, and identify the foremost state objectives necessary to achieve New Jersey's vision for higher education. The core issue teams will then reconvene to develop action plans to implement each identified objective, including performance measures to monitor progress. Broad-based feedback regarding the proposed action plans will be considered, and a second Governor's Summit in the spring is expected to finalize the state's plan and initiate its implementation.

This interim long-range plan report, in conjunction with the report and recommendations of the Commission on Health Science, Education and Training, provides valuable information for the development of the state's plan for higher education. These two complementary planning efforts are closely interrelated and require ongoing communication. The Health Science, Education and Training Commission was established by the Governor and recently made recommendations to enhance the overall quality of medical and health education in the state, increase the competitiveness of research universities, and provide for synchronization between medical education and the healthcare industries. The Long-Range Plan Steering Committee's report summarizes other, and sometimes related, issues that the state must consider in planning for the future. Together, the two reports provide a wealth of information that will allow the state to set a clear course for colleges and universities in New Jersey. (See Appendix C for an overview of the Health Science, Education and Training Commission's report and a list of Commission members.)

## **ORGANIZATION OF PROPOSED STATE OBJECTIVES**

### **Ongoing State Support**

Establish and maintain sufficient state investments in higher education to achieve the state's objectives.

Define state operating support policy and methodology for senior public institutions and provide adequate and reasonably predictable state funding.

Reaffirm funding policies and methodologies for the community colleges and independent institutions and provide adequate and reasonably predictable state funding.

Develop clear, long-term policies with regard to ongoing state capital investment in new construction, renovation and renewal, and technology needs at New Jersey colleges and universities.

Make well-planned, targeted investments in higher education, beyond policy-driven base support, that enable the state to achieve its highest priority objectives.

Define what the state wants to achieve through its financial aid investment, assess how New Jersey's financial aid programs can facilitate achieving those objectives, and expand or revise existing programs and/or create new programs.

### **Capacity to Serve a Growing and Diverse Population**

Support targeted increases in the capacity of New Jersey's higher education system to serve a growing and diverse population, using multiple strategies including facility preservation and expansion; increased use of technology; employment of human resources commensurate with the delivery of high-quality education; and enhanced coordination, collaboration, and efficiency.

Establish state policy that supports the provision of opportunity to all New Jersey residents who can benefit from undergraduate and graduate education, reflecting a commitment to social justice and to segments of the community that are now underserved or underrepresented, and recognizing regional differences and differences in institutional missions.

Actively promote and support the development and appropriate expansion of a diverse world-class faculty and staff to meet the demand for higher education by a growing and diverse population in New Jersey.

Stem the tide of out-migration of students, especially those in high-demand disciplines and those who desire to attend college in New Jersey.

Encourage and support specific state and campus initiatives to better reflect the state's ethnic, cultural, and racial backgrounds within all components of the campus community and to build on that diversity to promote social and ethical responsibility and understanding as well as the development of responsible citizens.

### **Collaboration Between and Among Educational Institutions**

Further promote formal relationships between associate and baccalaureate degree-granting institutions that provide for seamless transfer through dual degree programs and guarantee admission to a senior institution.

Smooth the transition of students from high school to college and diminish the need for basic skills development for students enrolling in college directly from high school by strengthening the correlation between core curriculum standards and postsecondary admission requirements.

Encourage and expedite cooperation and collaboration between and among higher education providers and P-12 schools, focusing on improving the quality of teaching, from preschool to college, and closing the academic achievement gap between economically or educationally disadvantaged students and other segments of the population.

Prepare a sufficient number of P-12 teachers to meet growing needs, using a standards-based approach and an increased focus on diversity education and issues for both traditional and alternate route teacher preparation programs.

### **Higher Education's Linkages with Business and Other Sectors of Society**

Create systemic statewide dialogue and collaboration between higher education and other sectors of society, including business and industry, the nonprofit sector, and the public sector, developing new and innovative means of addressing workforce development needs.

Provide targeted state funding to enable institutions of higher education to help meet the state's most pressing workforce needs.

Improve the preparation of all students for successful participation in the state's workforce with a special focus on entry-level skilled workers for key sectors of the state's economy.

Increase the linkages between corporate and institutional R&D and workforce development, encourage faculty collaboration with industry, and foster broad-based industrial/public sector advisory boards at all levels of higher education.

Compete aggressively and effectively for federal research dollars, using a coordinated approach where appropriate and providing state-level infrastructure to support individual institutions' research, research partnerships within the state, and national collaborative research paradigms.

Create and nurture clusters of innovation, linking public and private resources, institutions, and capabilities to advance state and regional economic competitiveness and quality of life.

Position higher education in the forefront of the state's ongoing strategic planning and development.

### **Quality, Efficiency, and Accountability**

Recognize excellence in higher education as a crucial state priority and commit adequate and predictable resources to achieve excellence.

Achieve and sustain higher levels of excellence in teaching and learning, research, and public service, valuing differences in institutional missions.

Improve performance in student outcome measures that are consistent with differing institutional missions, with a special focus on improving success of groups that have been traditionally underrepresented on our college campuses.

Prepare students at New Jersey's public and private colleges and universities to maximize their potential as individuals and contributing members of society.

Create and nurture world-class centers, programs, and institutes to increase knowledge, economic prosperity, and quality of life.

Assess the current policies and standards by which institutions are authorized to exceed or change their designated degree levels to meet state-identified needs, ensuring that resources are used effectively and efficiently.

Engage students, faculty, and staff in public service on- and off-campus, reaching out to the community, state, nation, and world and imparting lifelong civic responsibility.

Develop mutually accepted accountability measures based on clear state and institutional objectives to document the achievements of New Jersey's public and private colleges and universities in meeting state needs.

Invest in and improve the reputation, image, and visibility of New Jersey's public and private colleges and universities in order to compete successfully for students, faculty, and administrators as well as business and industry partnerships.

## FOUR CORE ISSUE TEAM REPORTS

The reports of the four core issue teams follow. Each of the teams worked independently to develop an overview of their issues, summarize varying perspectives, and propose objectives for consideration as New Jersey develops its long-range plan for higher education. The varying perspectives on each issue sometimes reflect opposing positions. The inclusion of the different perspectives within this report does not indicate endorsement of the positions by the teams. Rather, the perspectives are captured in the report to reflect the teams' discussions of various viewpoints as they reached consensus on proposed objectives.

## **I. ADEQUATE, PREDICTABLE, AND POLICY-DRIVEN RESOURCES**

Colleges and universities develop human potential through their educational programs but also serve economic and societal needs in several other ways, including research and development, business incubators, workforce training, public service, systemic collaboration with the elementary and secondary schools, and partnerships with business, government, and the nonprofit sector. Today's knowledge-based, rapidly changing economy and society place far greater demands on higher education each year. The degree to which New Jersey's higher education institutions are able to meet those demands is directly tied to adequate and predictable state funding and will have a significant impact on the future of the state.

The creation of a higher education system that is among the best in the world requires a shared commitment by the state and its public and private colleges and universities. While the higher education institutions have a variety of responsibilities such as effective and efficient operations, delivery of high-quality programs and student services, and demonstration of successful student outcomes, they are dependent on the state to varying degrees for fundamental financial support. Excellence in teaching and learning, research, and public service to accomplish broad state economic and societal goals hinges on this support.

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### **LACK OF CLEAR STATE SUPPORT POLICIES AND ADEQUATE AND PREDICTABLE FUNDING**

#### **THE ISSUE**

- Clear state support policies are necessary for the cohesive planning and effective operation of colleges and universities to meet the needs of students and the state.
- Adequate and reasonably predictable state support for college and university operations is essential to create and sustain a higher education system that is among the best in the world, enable individuals to achieve their maximum potential, improve the quality of life, and support the state's success in the global economy.

The senior public colleges and universities (three public research universities and nine state colleges and universities), nineteen community colleges, and fourteen independent institutions all receive varying levels of state operating and capital assistance. All of these colleges and universities derive their operating and capital revenues from differing combinations of direct state appropriations, tuition and fees, federal support, and private gifts and grants. The community colleges also receive county support.

New Jersey statutes set forth a state operating support level for the community colleges and for the independent institutions, but state support does not meet statutory levels, and there is often little predictability regarding increased support from one year to the next. While the statute calls for the state to support 43 to 50 percent of the community college operating costs, the state has been focused recently on trying to get county, student, and state levels each to one-third. The state funds are distributed among the community colleges by formula, which is driven primarily by full-time equivalent students. As indicated in the chart below, the state share of community

college operating aid has varied, but it has increased from a low of 23.7 percent in FY 1997 to 29.6 percent in FY 2001 while the county share has decreased during that period. *(Final figures for FY 02 are not yet available.)*

**SHARES OF OPERATING COSTS**  
**Community Colleges**

	<u>FY88</u>	<u>FY89</u>	<u>FY90</u>	<u>FY91</u>	<u>FY92</u>	<u>FY93</u>	<u>FY94</u>	<u>FY95</u>	<u>FY96</u>	<u>FY97</u>	<u>FY98</u>	<u>FY99</u>	<u>FY00</u>	<u>FY01</u>
Tuition/fees	29.8%	29.8%	32.5%	35.6%	38.9%	39.4%	41.1%	42.0%	43.5%	43.7%	43.5%	42.5%	41.3%	39.8%
State	33.7%	32.6%	29.9%	25.6%	24.1%	24.0%	24.7%	24.0%	24.0%	23.7%	24.8%	26.3%	28.0%	29.6%
County	36.5%	37.6%	37.6%	39.4%	37.0%	36.6%	34.3%	34.0%	32.4%	32.7%	31.7%	31.2%	30.7%	30.6%

State statute calls for aid to independent institutions based on the number of full-time equivalent undergraduate New Jersey students in the pre-budget year multiplied by 25 percent of the level of direct per student support for the state college sector during the pre-budget year. The next chart shows annual fluctuations in the percentage of the statutory funding level provided by the state to independent institutions, ranging from a low of 69.5 percent to a high of 95.5 percent.

**PERCENT OF STATUTORY FUNDING LEVEL**  
**Independent Institutions**

	<u>FY88</u>	<u>FY89</u>	<u>FY90</u>	<u>FY91</u>	<u>FY92</u>	<u>FY93</u>	<u>FY94</u>	<u>FY95</u>	<u>FY96</u>	<u>FY97</u>	<u>FY98</u>	<u>FY99</u>	<u>FY00</u>	<u>FY01</u>
State Support	95.5%	94.9%	85.9%	69.5%	75.6%	80.9%	77.2%	82.9%	85.3%	72.2%	76.5%	77.4%	80.4%	82.3%

There is no law or state policy regarding state operating support levels or methodologies for the senior public institutions, leaving open questions about adequacy of support and similar concerns about predictability. As state institutions, these 12 colleges and universities rely to the greatest extent on state operating aid, including funding for contractual salary increases, although state funding has seldom met this core need. They ought to be able to rely on annual state capital maintenance and renewal assistance as well. But direct annual capital appropriations for the state institutions have been sporadic and very limited over the past two decades. As a result, the institutions have had to rely largely on tuition and fees to meet annual maintenance and renewal costs as well as the cost of unfunded salary increases, enrollment growth, and programmatic development.

The Commission on Higher Education has a long-standing policy proposal that the state should pay two-thirds of the operating costs for the senior public institutions, but to date that policy recommendation has not guided state appropriations. In fact, the state share has decreased almost every year since FY 1988.

**SHARES OF OPERATING COSTS**  
**Senior Public Institutions**

	<u>FY88</u>	<u>FY89</u>	<u>FY90</u>	<u>FY91</u>	<u>FY92</u>	<u>FY93</u>	<u>FY94</u>	<u>FY95</u>	<u>FY96</u>	<u>FY97</u>	<u>FY98</u>	<u>FY99</u>	<u>FY00</u>	<u>FY01</u>
Tuition/fees	29.5%	29.7%	32.2%	36.3%	36.6%	38.6%	36.2%	36.4%	37.7%	39.7%	41.3%	42.8%	43.3%	43.4%
State	70.5%	70.3%	67.8%	63.7%	63.4%	61.4%	63.8%	63.6%	62.3%	60.3%	58.7%	57.2%	56.7%	56.6%



While there appears to be consensus that there is currently no policy guiding annual state operating support for the senior public institutions, there has been no state-level initiative to address this void.

It is understandable that predictability of state operating appropriations for all sectors is affected by the state's overall fiscal condition in a given year. However, state funding predictability and adequacy are usually lacking even in the best of fiscal climates, impeding efficient and effective management of institutions, predictability of student charges, and the ability of parents and adult students to plan and save for college expenses.

### Capital Aid

Historically, the state has provided funding assistance for major capital construction and renovation through the periodic issuance of state bonds. These bonds have benefited the senior public institutions, community colleges, and independent institutions at varying funding levels. The capital bond programs have not, however, kept pace with the need to preserve existing campuses and expand to meet growing demands. New Jersey's senior public institutions assume a share of the cost for state bond programs and have had increasingly to rely on debt for facility investment; they are now among the most leveraged public higher education institutions in the nation. The resulting debt service generally falls to students through tuition or fees. Like their counterparts across the nation, the independent institutions rely to a larger degree on their own bonding capacity, but New Jersey extends a small portion of the state capital bond programs to them as well, and they also assume a share of the cost of the state debt.

The community colleges also assume a share of the cost of periodic state bond programs. In addition, the community colleges benefit from a 1971 statute ("Chapter 12"), which provides a revolving fund for construction and renewal with half of the debt service covered by the state and half by the county government. Periodic increases of the ceiling of the fund are necessary to keep pace with need. Similar and more recent statutes were intended to be a continuing source of revenue to provide adequate and predictable support for construction and renovation in all sectors. However, they have not been refunded to provide ongoing capital assistance.

Adequate state support and reasonably predictable funding levels for colleges and universities from one year to the next are critical to affordable student tuition and fees, effective planning and operations, and state economic and quality of life goals. The related issue of capacity to serve more students, which will be addressed in another section of this report, is directly linked to the adequacy of state support.

## **VARYING PERSPECTIVES**

Identify and Support Priorities: If the state desires a higher education system that is "among the best in the world," there needs to be some clarification of just what that means and what resources will be required to achieve it. The state needs to develop a specific agenda relative to its higher education system and increase its investment in colleges and universities consistent with clear state principles, policies, and priorities. The long-range planning process is designed to develop that agenda and set state objectives with long-term actions plans and performance measures. A critical aspect of that plan must be the establishment of clearly articulated state higher education funding policies and methodologies.

Policies Guide Funding: Higher education is critical to individual development, societal well-being, and state competitiveness in the global economy. As such, annual state support for colleges and universities should be recognized as a top state priority and treated as such in the annual appropriations process. Higher education funding should not be viewed as discretionary nor should it be driven by political influence. Clear state policies regarding the funding of senior public institutions should be developed by policymakers and stakeholders. Current funding policies for the community colleges and independent institutions should be affirmed by policymakers and stakeholders. The state's funding policies should then guide annual appropriations and be consistent with state priorities and needs, which provide direction for institutions.

Support for Community Colleges and Independent Institutions: The state should continue moving toward a one-third state share of operating costs for community colleges, which was called for by the Commission on Higher Education in 1995. But commitment to this policy must be based on an understanding of what the cost of education should be at any given institution and what kind of higher education system the state wants. It cannot be based on a state share of one-third of operating expenses without these important parameters. Similarly, the Independent College and University Assistance Act should be fully funded in conjunction with the establishment of clear state direction and objectives to publicly inform and guide institutions in addressing state priorities.

Support for Senior Public Institutions: The state should consider the long-standing recommendation that the state fund two-thirds of operating costs, full salary program increases, and annual maintenance and renewal assistance for the senior public institutions with the students paying the other one-third of operating costs. This cost-sharing model must be based on an understanding about what the cost to educate a student at any given institution should be and what kind of higher education system the state wants. It cannot be based on a state share of two-thirds of operating expenses without these important parameters. Once such parameters are in place, the state should consider the long-standing two-thirds/one-third model as well as other models that could bring the senior public institutions to the desired level of quality.

Support Capital Needs: The means of supporting higher education capital needs have been sporadic and insufficient to build the high-quality system desired for New Jersey. A clear commitment is required from the institutions and the state and counties to maintain the existing physical plants and plan efficiently, effectively, and collaboratively to serve the growing demand for higher education services that is essential to the future economic and societal well-being of the state. *(Also addressed under the capacity issue.)*

## **PROPOSED STATE OBJECTIVES**

*To articulate in the long-range plan New Jersey's objectives for higher education that will lead to a system that is among the best in the world, and to establish and maintain a sufficient state investment in higher education to achieve those objectives.*

*To define state operating support policy and methodology for senior public institutions and provide adequate and reasonably predictable state funding.*

*To reaffirm funding policies and methodologies for the community colleges and independent institutions and provide adequate and reasonably predictable state funding.*

*To develop clear, long-term policies in regard to the ongoing state investment in capital funding.*

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## **AFFORDABILITY/COST/FINANCIAL AID FOR STUDENTS**

### **THE ISSUE**

- Higher education is the primary gateway to an improved standard of living, but there is growing concern that rising costs will make a college education unaffordable to many people.
- Educational opportunity beyond a high school diploma and the benefits of the new knowledge-based economy must be available to all, ensuring a well-prepared citizenry and skilled workforce necessary to maintain quality of life and the state's economic competitiveness.

Stemming the rapid increase in cost to attend college will be a major challenge owing to a number of factors. Competing demands for resources in New Jersey and at the federal level have resulted in insufficient increases in state operating support for institutions, deferment of expenditures for facilities maintenance and renewal, and greater dependence on student tuition and fees to support operating and capital budgets. The resulting rise in tuition has required growing student assistance budgets, but even with this growth, national reports indicate the level of student indebtedness continues to rise. In New Jersey, 57 percent of all funded aid consists of loans, and 43 percent, grants.

New Jersey's student assistance programs are rooted in the belief that educational opportunity for students serves not only those students but also the future economic and social well-being of the state. Historically the state's support for undergraduate student assistance has been guided by three basic principles: access, affordability, and choice. Broadly defined, access refers to providing opportunities for all who desire to pursue higher education. Affordability refers to ensuring that cost barriers are reduced or eliminated, and choice refers to providing access to the range of colleges and universities in the state.

New Jersey is a leader in the nation in need-based aid and has expanded merit aid over the past decade. It ranks second in the nation in percentage of full-time undergraduates receiving need-based grant aid and in need-based dollars per student and sixth in financial aid of any kind as a percentage of total state higher education funding. Nevertheless, an assessment of existing state programs and their ability to meet the diverse and growing needs of students and current priorities will be important in determining if higher education opportunities at the associate, baccalaureate, and postbaccalaureate level are within the reach of all who have the potential to benefit.

While it was not necessarily planned, New Jersey has assumed what is known as a "high tuition/high financial aid" model to support undergraduate higher education. This model requires higher tuition to be charged in order to collect a greater percentage of the full educational costs from students who can afford to pay them. It also requires a significant level of grants for low-income and some middle-income students to help them pay the tuition. Thus, there should be a distinction between published "tuition" and the actual cost for many students – some of whom

receive need-based aid and others merit aid, which significantly lowers their cost. Many are concerned that a high tuition/high aid model requires a significant number of middle-income students to assume considerable student indebtedness. Others believe it is an appropriate model in light of a pattern of erosion of state support for the financial foundation of higher education. The use of this model is not necessarily bad or good but should be reviewed to determine if it is providing access, affordability, and choice as well as excellence.

In New Jersey, which is among the most densely populated and diverse states in the nation, the already high population of Hispanics, African Americans, and other ethnic minority groups is expected to continue to grow. Census 2000 data indicate that these populations have significantly lower family and household incomes, and are disproportionately enrolled in the state's neediest school districts. These new demographics suggest that future undergraduate populations will require substantially increased levels of financial assistance and support to ensure improved levels of persistence and degree completion. This will put additional pressure on the state's long-standing commitment to access, affordability, and choice.

Overall, the state and its higher education institutions are faced with the increasingly difficult task of providing affordable, high-quality higher education opportunities to prepare individuals of all ages, backgrounds, and income levels with a strong general education and complex workforce skills, allowing them to participate fully in the new economy. The rising cost of tuition and fees, coupled with insufficient need-based financial aid to assist all students in need, is leaving a growing number of students in difficult situations. As a result, a larger percentage of students must work full- or part-time and assume increased indebtedness to pay their higher education expenses.

## **VARYING PERSPECTIVES**

Reaffirm or Revise Principles: Historically, New Jersey has chosen to emphasize the principles of access, affordability, and choice in its financial aid expenditures. The result is the current structure of state financial aid and institutional funding in New Jersey. This traditional emphasis should now be reviewed for reaffirmation or revision, and consideration should be given to the effect of this emphasis on developing a high-quality system of higher education. If the emphasis is revised or abandoned, other guiding principles should be defined. If reaffirmed, all three principles should be effectively balanced so that we may prospectively increase access, ameliorate cost barriers, and continue to provide institutional choice in the midst of demographic transformation.

Support and Expand Existing Programs: Access, affordability, and choice should continue to underpin student financial assistance in New Jersey. Exemplary programs such as Tuition Aid Grants (TAG) and the Educational Opportunity Fund (EOF), including the summer program, should be expanded. Undergraduate tuition charges vary widely among institutions, and the TAG program recognizes the need to provide larger grants to students who attend institutions with higher tuition costs. At the public institutions, this policy allows the neediest students to have almost all of their tuition covered despite a large difference in tuition costs among those institutions. At the independent and proprietary institutions, TAG provides a higher absolute dollar grant for students, but it provides on average less than half of the total tuition charge. Nevertheless, it makes these institutions an option (choice) for needy students, who generally receive additional support from the institution to assist in covering remaining costs. The

important benefits of the TAG program should be extended to part-time students as well, though not at the expense of full-time TAG recipients.

Examine Strategic Effectiveness of TAG Model: New Jersey provides greater award amounts to students who attend higher-tuition institutions. This model is an incentive, rather than a disincentive, to increasing tuition, and it drives up student assistance budgets. While it only pays a portion of the tuition at independent institutions, the TAG program requires a larger financial aid investment for a student attending an independent institution than for a student attending a public institution. The strategic effectiveness of the model should be examined.

Review Aid Programs: While New Jersey is a leader in need-based student assistance, student indebtedness is growing significantly. New Jersey makes a very substantial investment in student financial aid annually, and it has conducted reviews of policies and programs periodically in order to determine their effectiveness. As the state sets out to establish a comprehensive plan for higher education, the high tuition/high aid model should be reviewed to determine the degree to which it supports state priorities. The state's financial aid policies and programs should be reviewed within the context of overall support for higher education and in regard to their ability to address newly established long-term state objectives.

## **PROPOSED STATE OBJECTIVE**

*To define what the state wants to achieve through its financial aid investment and assess how New Jersey's financial aid programs can facilitate achieving those objectives, considering expansion or revision of existing programs and/or the creation of new programs.*

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## **TARGETED INVESTMENTS**

### **THE ISSUE**

- Additional, targeted state investments in higher education are necessary to create and sustain an excellent system that supports state economic and societal goals.

While adequate and predictable state support is needed to carry out the ongoing operations of the higher education system, a funding policy that addresses only the status quo will not position New Jersey well for the future. A means to serve the diverse and growing higher education student body, elementary and secondary school reform, and the growth of clusters of innovation are emerging state priorities that will be critical to enabling people to achieve their maximum potential and ensuring the state's success in the global economy.

Special, targeted investments beyond annual aid to institutions will set New Jersey apart and provide a competitive edge for higher education and the state as a whole. In recent years, the state has funded initiatives to support P-12 teacher preparation and effectiveness, high-tech workforce needs, and increased capacity for research and development. The state also funds programs that support the preparation of minority and low-income students to attend college. Such programs support a system of excellence, directly targeting state economic and societal needs and increasing the capacity of the institutions to continue meeting state needs.

## **VARYING PERSPECTIVES**

Investments Beyond the Base: It is particularly important to ensure that strategic investments are made within an overall context of planned, statewide base budget appropriations. Once the base investment for higher education has been set at levels that are consistent with state priorities, additional strategic investments will be more effective.

Considerations in Targeted Funding: While targeted investments are well-intentioned and often effective, they require a well-understood context of state priorities to efficiently use state funds. It is important to consult institutional representatives in planning such initiatives to ensure that funds are directed to achieve desired outcomes. In addition, long-term expansion of programmatic or research capacity often requires some level of ongoing funding. Initial funds can effectively provide start-up assistance for projects that can be maintained through institutional funds, but short-term appropriations are sometimes provided by the state in the unrealistic expectation of long-term benefits when institutional funds are not available to maintain support for the programs. All targeted investments should include a clear evaluation plan to determine effectiveness.

## **PROPOSED STATE OBJECTIVE**

*To define the state's highest-priority objectives and make well-planned, targeted investments in higher education, beyond policy-driven base support, to implement those objectives.*

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## **ACCOUNTABILITY TO DEMONSTRATE RESULTS OF INVESTMENT**

### **THE ISSUE**

- Accountability for meeting state goals is a critical element in creating and sustaining a higher education system that is among the best in the world.
- Higher education must demonstrate return on investment through its contribution to societal and economic development and related priorities of the state.
- The state and counties that support colleges and universities share responsibility for public accountability of higher education.

Policy makers continue to stress the importance of standards regarding institutional quality, productivity, and effectiveness. Agreeing on the importance of such standards, institutions engage in various forms of accountability. State leaders and institutions should refer to state-level accountability measures to guide state planning, form a context for budgetary decisions, and monitor the return on public investment in colleges and universities.

Continued and increased investments in higher education require renewed and vigorous institutional accountability to ensure the prudent and effective use of resources. Colleges and universities that receive state support are accountable to students, parents, taxpayers, the business community, and policy makers. The institutions provide annual accountability reports and the Commission on Higher Education prepares an annual systemwide report, providing valuable information to inform planning and policy decisions. In addition to measuring progress, these reports demonstrate that past investments in the system have been well used and that further investment will serve the state well.

Evaluation of performance in meeting and exceeding standards will be essential to establishing higher education as a first-tier state priority. However, while accountability and evaluation must be core activities, it is essential that the proper student, institutional, and system-based criteria be identified, developed, and used. Further, accountability must be recognized as a shared responsibility with the state and counties, which provide resources commensurate with desired results.

### **VARYING PERSPECTIVES**

Accountable for Use of Public Resources: The state has every reason to expect institutions of higher education to be accountable for their use of state resources and for the quality of the education and other services they provide. Since the state provides resources to public and independent institutions, accountability is applicable to institutions in all four sectors. However, consideration of accountability measures must follow, and cannot reasonably precede, a clear articulation of the state's priorities and some clear consensus about what constitutes adequate funding in expectation of desired outcomes.

Key Considerations and Guidelines: Since each sector and each institution within any sector is uniquely mission driven, we must look both to the individual institutional context and a clear set of state guidelines for measuring results. Considering the student population, the community served, and the institutional goals, measurable factors should be utilized where possible to determine how well any institution meets its professed goals, especially in relation to reasonably similar institutions and of any institution in relation to itself. Additionally, there should also be consideration of other reasonable factors, beyond those that are measurable, that support or detract from overall institutional responsibility to the state and community.

Utilization of Accountability Reports: The Commission prepares a systemwide accountability report each year, and the public institutions each prepare individual reports. These documents are not utilized to the degree that they should be to inform policy and planning and to improve colleges and universities and the system as a whole.

### **PROPOSED STATE OBJECTIVE**

*To develop mutually accepted accountability measures based on clear state and institutional goals and to provide the resources necessary to attain them.*

## **II. CAPACITY TO SERVE A DIVERSE & GROWING STUDENT BODY**

One of the most critical issues facing New Jersey in the coming decade is the capacity of its colleges and universities to provide higher education services to a population increasing significantly in number and diversity. Institutional capacity is determined by the physical space, human resources, and technological capabilities available to serve students as well as institutional missions and range of services.

Several factors drive capacity needs. Demographic changes with respect to growth and diversity have a direct impact on enrollment at the campuses. Economic conditions determine the ability of government and institutions to invest in higher education and, to some degree, the level of need for services. Technological advances have many capacity implications for learning, teaching, research, and institutional operation. Finally, employer expectations generate demand for higher educational services.

A system's capacity directly affects its ability to respond to state needs and goals such as supporting the state's success in a global economy and enabling all people to achieve their maximum potential. Addressing capacity needs will require clear state policy, adequate facilities, technology and human resources; a commitment to inclusiveness; and coordination, collaboration, and efficiency.

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### **STATE POLICY REGARDING CAPACITY**

#### **THE ISSUE**

- Most of the colleges and universities in New Jersey operate at or near capacity and are not prepared for the significant increase in students that is expected over the next eight years.
- Clear state policies and plans are necessary to indicate how the state will address growing demands from all segments of the population for access to higher education.

Most of the colleges and universities in the state currently operate at or close to full capacity and will not be able to serve the significant increase in students that is expected over the next eight years. If current college attendance patterns persist, the cumulative effects of the increased freshman classes between 2001 and 2005 will result in an enrollment increase of 9,430 students across all sectors of higher education by 2005; the four-year period from 2005 to 2008 would generate an overall increase of 22,022 more students in 2008 than are currently enrolled in 2001. If the percentage of high school graduates who attend college in New Jersey within 12 months of graduation continues to grow, the cumulative effect over a four-year period would be significantly higher, reaching 36,800 additional students seeking enrollment in 2008. Many of these students will want a residential experience.

Growth in nontraditional student enrollments, projected at a 3.3 percent annual increase rate, will further strain the capacity of New Jersey's colleges and universities to meet student and state demands. To remain competitive, private and public sector employers depend on a highly skilled workforce. As a result, growing numbers of adults are enrolling in college to upgrade skills, change careers, obtain higher-paying jobs, or pursue lifelong learning and professional



development. The provision of higher education services to these nontraditional students and new high school graduates is essential to meet the demands of New Jersey's technologically driven, knowledge-based economy.

As the number of high school graduates rises across the nation, the large percentage of New Jersey's recent high school graduates who typically attend college out of state (approximately 29 percent of the total number of high school graduates in a given year) are likely to find limited spaces available. For example, Connecticut, Delaware, Maryland, Massachusetts, New York, Pennsylvania, and Virginia (the seven states that in 1998 enrolled almost three quarters of the students who left New Jersey to attend college) also face increases in high school graduates. Those states are all grappling with capacity constraints to varying degrees – limiting higher education options for New Jersey high school graduates interested in attending college in nearby states.

Demand for graduate and professional education is also expected to increase. The U.S. Department of Education has projected that graduate enrollment will rise by 16 percent nationally and first-professional enrollment by 13 percent between 2000 and 2010. Given the relatively high level of education attained by New Jersey citizens, projections for New Jersey will be even higher.

Many institutions have growth plans, but there is no state direction or coordination guiding that growth. The state has traditionally supported a relatively small system of higher education. Given demographic and other changes that are significantly increasing the demand for higher education, the state must determine the extent to which it will support additional capacity to meet increased demand and the means by which it will do so.

## **VARYING PERSPECTIVES**

Moderate/Extensive Growth: Policy makers recognize that the citizens of New Jersey expect and should have access to excellent higher education and that expanded access is critical to the quality of life and economic vitality in New Jersey. Capacity to provide that access must be a key state priority and will require an increased investment of resources. Given adequate capacity, higher education can be a proactive means of meeting workforce needs and addressing other major policy issues that are affected by higher education, such as generating employment, reducing poverty, reducing crime, and improving health. There should be an opportunity for everyone in New Jersey who wants a high-quality college education. Growth in the capacity of the system is also needed to stem the high rate of out-migration of New Jersey's high school graduates. Out-migration can result in the loss of highly skilled and capable members of New Jersey's workforce, which has negative economic implications. The state should also seek to grow the capacity of its higher education system to permit increased in-migration of students from other states. In-migration creates enriched educational experiences for in-state students and also has a positive economic impact.

Strategically Planned and Targeted Growth: Growth for its own sake is not effective; it can dilute quality. The current capacity of the system must be expanded, but the level of expansion should be carefully planned to determine what kind of growth the state wants, and the growth must be targeted to where it is most needed to meet consumer demand. In fact, growth in the system might need to be focused in specific geographic regions, within academic disciplines, and/or by level (undergraduate and graduate). The state should also recognize that out-of-state institutions

or additional New Jersey institutions may want to establish higher education programs in the state and assist in meeting some of the anticipated need to serve more students.

**Institutionally Driven Growth:** Growth should be institutionally driven as opposed to determined as part of a statewide plan to meet consumer demands. Institutions should plan for growth and expand as they see fit, striving to meet student demands and serve the state by whatever means they determine are most appropriate.

**Status Quo:** The citizens of the state have been able to access higher education at a level that has resulted in far higher levels of bachelor's degree attainment than the nation at large. Even without system expansion, the state ranks 5<sup>th</sup> in the nation for residents with a bachelor's degree or higher. Maintaining a small system of higher education is cost-effective.

## **PROPOSED STATE OBJECTIVES**

*To support targeted increases in the capacity of New Jersey's higher education system to serve a growing and diverse population using multiple strategies, including facility preservation and expansion; increased use of technology; employment of human resources commensurate with the delivery of high-quality education; and enhanced coordination, collaboration, and efficiency.*

*To establish state policy that supports the provision of opportunity to all New Jersey residents who can benefit from undergraduate and graduate education, reflecting a commitment to social justice and recognizing regional differences and institutional missions.*

*To stem the tide of out-migration of students, especially those in high-demand disciplines and those who desire to attend college in New Jersey.*

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## **FACILITIES AND TECHNOLOGY**

### **THE ISSUE**

- The quality of campus facilities and technology infrastructure significantly affect institutional capacity to serve students and support the state's economy.
- Some combination of physical plant expansion and enhanced technology infrastructure is necessary to serve a growing proportion of high school graduates, accommodate more nontraditional students, and extend greater access to underrepresented students.

In order to serve the current population of students, colleges and universities must maintain, renovate, and expand their physical plants where necessary. Also, equipment and technology must be current to meet expectations of a 21<sup>st</sup> century, world-class workforce. Significant and justifiable concerns exist about the physical condition of New Jersey's colleges and universities. State and county governments, as well as institutions, have placed a substantial investment in higher education's capital assets; they have a concomitant interest in and responsibility for ongoing maintenance and development. Current and future students, faculty, and staff need safe, usable, well-maintained, and well-equipped classrooms, laboratories, offices, and residence halls. Further, without adequate investment in major construction/renovation, deferred maintenance, and equipment and technology, New Jersey will fail to meet the state's growing demand for

higher education. Inadequate capital investment in higher education will also reduce the capacity of the state to be competitive in the global economy.

While intermittent enactment of state capital bond programs over the past 20 years has provided a means to address specific areas of need as they reached crisis proportions, the state has lacked a stable capital investment program. Such a program should monitor, strengthen, and expand higher education's physical plant and equipment needs to respond to demand, productivity, safety, and technological development.

### **VARYING PERSPECTIVES**

Extensive Support for Renovation, Construction, Technology, and Equipment: High-quality education programs require significant funding assistance from the state to maintain, renovate, and expand college and university physical plants where necessary and also to keep equipment and technology current. In addition, the state and research universities must respond to requisite needs for laboratory space and equipment critical to the attraction and retention of research-oriented faculty, the education or research professionals, and the connection of this work to economic development. Furthermore, if New Jersey colleges and universities are going to serve the growing population of high school graduates, address the growing demand from nontraditional students, and extend greater access to underrepresented groups, additional physical plant expansion and expenditures for technology infrastructure and equipment are crucial. The facilities expansion should be tied directly to projected enrollment growth, recognizing that today's competitive marketplace demands state-of-the-art facilities, which are an important factor in providing high-quality educational opportunity and in attracting and retaining the best students and faculty.

Expanded Use of Technology: New Jersey colleges and universities now offer nearly 2,000 distance education courses. More than 70 complete certificate and degree programs are available via distance learning, and those numbers are growing. Distance education provides access to students who are place- or time-bound and might otherwise be unable to participate in higher education. It can also be a very cost-effective means of increasing capacity since it reduces classroom utilization. The state should encourage and support high-quality distance education programs and the technology that makes them possible. It should be noted, however, that dependence on technology as a mode of delivery for higher education brings with it often overlooked fiscal and pedagogical issues such as the need for equipment and infrastructure, faculty development, instructional support and training, and an assessment of the appropriate use and mix of technologies.

Moderate Expansion, Increased Efficiencies and Collaboration: To meet current and anticipated demand, New Jersey does not need to undertake extensive facilities expansion. Some needs could be met by more effective classroom utilization (e.g., extended day/night use of classroom space, extending the instructional calendar to include classes on weekends, and offering fewer in-between term breaks) and increased off-campus offerings to meet student and employer needs. Capacity could be further enhanced by increased interinstitutional collaboration, dual-credit offerings for high school students, improved articulation and transfer, decreased time to degree completion, an expanded role for out-of-state higher education providers, and more flexible scheduling. In addition, the capacity of the system would also be expanded by increasing distance learning opportunities and infusing technology into traditional course offerings (e.g.,

reducing the need for classroom space by incorporating web-enhanced instruction into traditional courses).

## **PROPOSED STATE OBJECTIVE**

*To establish an ongoing revenue stream to support a capital program, providing predictable funding to support new construction, renovation and renewal, and technology needs at New Jersey colleges and universities consistent with the degree to which the state wishes to increase higher education capacity.*

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## **HUMAN RESOURCES**

### **THE ISSUE**

- High-quality higher education opportunities for students are directly dependent upon human resources to make them possible.
- World-class institutions require exceptional faculty and staff to meet student and state expectations.

A higher education system that is among the best in the world requires a sufficient number of highly qualified faculty and staff. As the state determines the extent to which it will support additional capacity to meet increased demand, human resources must be a primary concern. They are essential to the quality of teaching and learning and to successful student outcomes as well as to research. Further, as New Jersey's student population grows and becomes more diverse, the diversity and sufficiency of faculty members and campus administrators and staff become even more critical considerations.

### **VARYING PERSPECTIVES**

Expanded and Diversified Faculty: More, and more diverse, human resources are needed to respond to expanding demand for higher education in New Jersey in the coming decade. Campuses already rely extensively on part-time faculty; expansion of that reliance would have a deleterious impact; quality is directly affected by the quantity and quality of full-time faculty. In addition, the diversity of the faculty and staff is important to providing teaching and learning opportunities appropriate to sustaining graduation rates among a diverse student population. As the student population expands and diversifies (e.g., in terms of age, gender, ethnicity, socioeconomic status), the services needed will both increase and change, calling for more personalized attention for many students. Consequently, the need for staff can only be anticipated to increase.

Increased Productivity, Efficiency, and Moderate Expansion: While expansion of faculty and staff is likely to be necessary, improving faculty and staff productivity in general could address many of the state's higher education needs without extensive growth in numbers. By increasing teaching loads, class size, and use of technology, the need to increase the number of faculty and staff to serve increasing numbers of students might be lessened. Other ways to enhance capacity without significant expansion in the number of faculty and staff include greater collaboration and innovation between and among institutions and the use of practitioners and clinical faculty who bring specific skills and expertise. Moreover, imaginative approaches to collective bargaining and improved leadership development within the campus communities could contribute to

maximizing this most central educational resource. However, if significantly increased numbers of students are to be served, it is inevitable that human resources will need to expand as well.

## **PROPOSED STATE OBJECTIVE**

*To actively promote and support the development and appropriate expansion of diverse world-class faculty and staff to meet the demand of a growing and diverse population for higher education in New Jersey.*

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## **INCLUSIVENESS**

### **THE ISSUE**

- The knowledge-based economy and rapidly changing demographics demand a commitment to prepare all individuals to lead productive lives and to meet workforce needs.
- The growing need for high-quality higher education amplifies the challenge for institutions to increase their capacity to educate a more diverse student body (e.g., ethnicity, gender, age, and socio-economic status) and improve outcomes for all students.

The demographic landscape has changed dramatically and will continue to do so. By 2050, the country's population is expected to increase by 50 percent, with ethnic minority groups making up nearly half the population. Projected increases in total public high school graduates in New Jersey (15% from 2001 to 2012; 72,500 vs. 83,380) include very different rates for various racial/ethnic groups. Asians with 77% and Latinos with 43% growth rates exceed African-Americans with 14% and Caucasians with 6% growth rates. If these projections hold, Latinos will become the largest minority group among public high school graduates by 2012.

Another trend of significance is the rising foreign-born population in the state. This population increased by 53% over the last ten years (from 966,610 in 1990 to 1,467,327 in 2000). The foreign-born population now comprises 17.5% of the total state population. Of all foreign-born persons in New Jersey, approximately 42% entered the United States in the last ten years. More than half of all foreign-born persons were not U.S. citizens.

Higher education opportunities must be extended to all segments of the population. At one time, individuals could prosper with a high school diploma or less. This is no longer true in a high-skill, knowledge-based economy. With its diverse population and changing demographics, the United States, and particularly New Jersey, must capitalize on its multiracial, multiethnic society to compete successfully in both the domestic and global marketplaces.

### **VARYING PERSPECTIVES**

Expand Opportunities for Higher Education: Inclusiveness must be a key focus when examining the capacity of higher education. The costs of not extending higher education opportunities to all segments of the community include a risk of exacerbating problems present in economically deprived populations, such as high levels of crime, teenage pregnancy, and health and social services issues. As capacity is addressed, special attention needs to be paid to populations traditionally underserved at both the undergraduate and graduate levels. These populations may

include but are not limited to immigrants and those who are minority, low-income, older, or who have disabilities. In addition, collaboration with the P-12 community will be increasingly important to ensure that all students are prepared to ultimately succeed in college. Inclusiveness in higher education can reverse a trend of isolation and bifurcated economic opportunity.

Programs to Meet Student Needs: Beyond providing access, institutions will also need to provide an array of academic and other support services for the students they enroll. Programs with a proven record of helping students of diverse backgrounds succeed and graduate should be nurtured and expanded. A key component of access and retention is the cost of higher education. The state has an obligation to create an alignment between state operating aid, financial aid, and tuition policy so that more students, regardless of economic background, can benefit from higher education.

## **PROPOSED STATE OBJECTIVES**

*To expand access to higher education and support to segments of the community that are now underserved.*

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## **COORDINATION, COLLABORATION, AND EFFICIENCY**

### **THE ISSUE**

- Addressing increasing demands for higher education requires systemwide coordination, institutional efficiency, and interinstitutional collaboration to use resources wisely and meet student and state needs effectively.

Rising enrollments, both among high school graduates and nontraditional students, will necessitate new approaches to meet their needs. The expectations of many of these students will vary considerably. More low-income, older, working, and commuting students will be enrolling. Many students will seek convenience, service, quality, and low cost. More students will seek and expect cutting-edge technology, flexibility, and distance education or technology-mediated instruction. In addition, a growing number of students from the traditional college-age bracket (18-24) will want a residential experience.

The system's capacity to meet increased and varying demands for higher education can be significantly improved by coordination of efforts, joint endeavors, shared or pooled resources, systemic collaboration among sectors and among institutions, and efficient transfer of students from associate degree-granting to baccalaureate degree-granting institutions.

### **VARYING PERSPECTIVES**

Expanded Coordination, Efficiency, and Interinstitutional Collaboration: Lack of coordination and cooperation among institutions will detract from the overall ability of the system to meet state needs. Through increased coordination, collaboration, and efficiency, costs can be contained, opportunities created, waste reduced or eliminated, innovation encouraged, creativity stimulated, and quality improved. Institutions and the state should support the expansion of collaborative models such as the New Jersey Coastal Communiversiity at Brookdale, the VALE project, NJEDge.Net, and NJ Transfer. For example, the area of student transfer is of critical

importance to student mobility and goal completion. Interinstitutional articulation agreements can facilitate the smooth movement of students among institutions with little or no loss of credit and status, which shortens time to program completion and application of skills and knowledge. Such efforts build confidence in and support for New Jersey's colleges and universities.

Broad Collaboration to Address State Needs: Collaboration significantly enhances higher education's responsiveness to students, P-12 schools, employers, and government. New Jersey's colleges and universities already have many successful joint programs, centers, and projects that demonstrate the effectiveness and efficiency of collaborative efforts. Such programs and collaboration with government and the private and nonprofit sectors should be expanded to increase the system's ability to be responsive to community and state needs.

## **PROPOSED STATE OBJECTIVES**

*To encourage and expedite cooperation and collaboration between and among higher education providers, P-12, and the business community.*

*To further promote formal relationships between associate and baccalaureate degree-granting institutions that provide for seamless transfer through dual-degree programs and guarantee admission to a senior institution.*

### **III. INSTITUTIONAL RESPONSIVENESS TO ECONOMIC AND SOCIETAL NEEDS**

Human development and economic development are interrelated and dependent substantially upon higher education. New Jersey relies on educational institutions to develop the human potential, responsible citizens, and leaders necessary to: 1) promote tolerance and public service; 2) meet workforce needs; 3) conduct research; and 4) foster critical linkages across education, business, and government sectors. Today's rapidly changing, knowledge-based economy and society place far greater demands on higher education each year. The degree to which New Jersey's colleges and universities are able to meet those demands will have a significant impact on the future of the state.

The following seven areas require strategic state policy and planning to ensure that higher education is focused on and able to meet the state's fundamental economic and societal needs.

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#### **RESEARCH AND DEVELOPMENT**

##### **THE ISSUE**

- Research and development are critical to the advancement of knowledge and societal well-being.
- The future productivity and competitiveness of the state's economy depend on maintaining a strong research and development environment for New Jersey businesses.
- The presence of high-quality research universities is a vital element in the synergy that exists among successful research-dependent businesses and the higher education sector.

Research and development creates new businesses and jobs, spawns new industries, improves productivity, and fosters new knowledge and discoveries to enhance the quality of life. In addition, academic research enhances teaching by enabling faculty to bring to the classroom the latest developments in their fields and direct students toward scholarly opportunities and innovations of the future.

New Jersey's economy is increasingly dependent on a scientific and research base of businesses. The profile of employment in the state has moved to the service sector with 77 percent of the state's gross state product coming from services versus 65.3 percent nationally. Moreover, the manufacturing that remains in New Jersey is high value added, high productivity, and reliant on research and sophisticated technology. While the state is a leader in the telecommunications and pharmaceutical industries, it is challenged to look ahead and be prepared to lead in key emerging fields as well.

Over 140,000 scientists and technicians are employed in more than 500 research and development laboratories in New Jersey, and over \$8 billion are spent on private R&D in the state annually – more per worker than any other state. Despite the hub of corporate research within the state, New Jersey higher education institutions lag behind the nation in terms of per capita federal funding, which is partly explained by the state's relatively small higher education system. New Jersey's colleges and universities rank very high, however, in terms of the rate of



increase in total federal R&D support awarded over the past decade, indicating that they are becoming more effective in competing for research dollars.

Recognizing the strong self-interest of the nation in advancing basic and applied research, the federal government has increased science and related research funding significantly over the past several years with major emphasis placed on the life sciences (NIH), information and communication technology (NSF), and national security (all agencies). New Jersey's profile of industry has strong commercial interests in these very same research areas. The extent to which New Jersey universities are competitive for these funds will influence the state's attractiveness for businesses by providing excellent opportunities for the exchange of scientists, research, commercialization of intellectual property, and trained students.

The state also benefits from the expenditure of the federal research dollars awarded to New Jersey higher education institutions from the secondary efforts of employment and expenditures that result from these awards. This is important to the state in terms of achieving an equitable share of federal fiscal activity for our state, since New Jersey is underrepresented relative to other states in terms of direct federal expenditures from military and federal research installations.

### **VARYING PERSPECTIVES**

Increased Research Capacity: New Jersey should be aggressively seeking to capture more federal and corporate research dollars. As a fundamental driver of state economic success and for the well-being of our citizens that results from such success, state policy should focus on increasing the research capacity and attractiveness of New Jersey higher education institutions for federal and corporate research support. Consideration should be given to strategic investments for adequate infrastructure, including facilities, complex equipment, and high-quality researchers in targeted areas that are related to state priorities.

Encourage Scholarly Development: While applied research is important, institutions and the state should be actively working to develop pure scientists and scholars as well. One means of doing that would be through more and enhanced fellowships and scholarships for undergraduate and graduate students.

Coordinate Research Capacity: There is a need to better coordinate college and university research and expertise to serve state and societal needs. The state should harness that expertise and encourage collaboration to make better use of research and research capacity within the colleges and universities. Institutional interaction and communication with state agencies should also be enhanced to better apply research and make resources known.

Clusters of Innovation: Clusters of innovation are geographic concentrations of competing and cooperating companies, suppliers, service providers, and associated institutions such as universities, trade associations, government institutions, and other organizations that provide training, education, information, research, and or technical support. Such clusters have proven to be a dynamic means of advancing state and regional economic competitiveness and thereby enhancing quality of life. New Jersey should follow the lead of North Carolina, Michigan, California, and other states that have developed critical masses of research personnel at universities and linked them to public and private resources, institutions, and capabilities to create clusters of innovation in areas that are state priorities. *(This perspective falls under*

*Partnerships with Business, Industry, Government and Nonprofit Sectors as well; see related objective in that section.)*

## **PROPOSED STATE OBJECTIVE**

*To compete aggressively for federal research dollars, using a coordinated approach for capitalizing on opportunities and providing infrastructure to support individual institutions' research, research partnerships within the state, and national collaborative research paradigms.*

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## **PROGRAMMATIC MISSION DIFFERENTIATION**

### **THE ISSUE**

- Programmatic mission differentiation, the level of degree-granting authority accorded to specific institutions, is critical to the efficient and effective use of resources and to the development of premier programs and institutions to meet state needs.
- The degree to which programmatic mission differentiation is managed effectively will impact on the quality of New Jersey's higher education system and global competitiveness.

Programmatic mission differentiation, like capacity, impacts on institutional responsiveness. New Jersey is faced with a significant increase in the demand for higher education, and consideration must be given to how the state will respond to that demand.

Research universities in New Jersey may offer academic programs at any level. The state's public comprehensive colleges and universities are authorized to offer programs at the baccalaureate level, and most are authorized to offer master's-level programs; two were each granted authority to offer one practitioner-oriented doctoral degree in education. The independent colleges and universities, as well as the proprietary and religious oriented institutions, have varying programmatic degree levels. Statute provides for institutions to petition the Commission on Higher Education if they wish to offer a specific degree program that exceeds their current programmatic mission or if they wish to change their programmatic mission. On the other hand, pursuant to statute, the associate degree is the highest programmatic mission level for community colleges. (However, the community colleges partner with senior institutions to bring baccalaureate opportunities to their campuses.)

The issue of programmatic mission differentiation was raised as a concern in reports throughout the 1990s. New Jersey should consider whether or not the current method of mission differentiation and mechanisms for exceeding and/or changing programmatic mission are appropriate. If not, a decision should be made as to whether the programmatic missions of institutions should be made more explicit and clearly differentiated or if more flexibility should be accorded individual or groups of institutions in mounting programs at new degree levels.

### **VARYING PERSPECTIVES**

Strict Programmatic Mission Differentiation: Institutions and the state and its citizens are best served by statewide coordination of institutional programmatic mission. Strict programmatic mission differentiation among institutions utilizes resources wisely and enables colleges and

universities to build on their strengths and improve existing programs at their degree-granting authority level. Mission expansion to new degree levels is costly and often inefficient. This is true at all levels (e.g., associate to baccalaureate, baccalaureate to master's, master's to doctorate) but particularly true at the doctoral level, where costs are very high and there is little or no prospect of achieving distinction or attracting research without a critical mass of doctoral programs and a proven record. The gradual expansion of institutions into new levels where they have not previously offered programs results in unnecessary duplication, inefficient use of state resources, and a dilution of institutional resources and program quality. The state should tighten up programmatic mission differentiation, and expansion to new degree levels should be guided by the state and its needs.

Flexible Programmatic Mission Differentiation: Institutional boards of trustees and administrations should not be bound by state restrictions on their level of degree-granting authority. Their aspirations for their institutions should guide growth and expansion to new degree levels. Institutions should expand to meet workforce needs and serve the region and state as they see fit. The state would benefit from greater degree program availability at all levels. With regard to doctoral program expansion, New Jersey is behind the states it considers as peers in the number of doctoral degrees awarded per 100,000 of population. Institutions should be encouraged to serve the state by enhancing the state's limited capacity at all degree levels. The state benefits from innovation and growth in its institutions. There should be greater flexibility regarding mission change and expansion.

Continuation of Existing Policies/Standards for Exceeding or Changing Programmatic Mission: The criteria by which institutions are assessed to either exceed or change their programmatic mission are stringent enough to restrict unnecessary program expansion to new degree levels but enable institutions to meet state needs through program expansion at higher degree levels when appropriate. Undue programmatic mission expansion has not occurred in the eight years since these criteria were established and implemented. The criteria and process for review currently in place are effective and should be maintained.

Refinement of Policies/Standards for Exceeding or Changing Programmatic Mission: The current policies and standards for exceeding and/or changing mission should be reviewed and refined to ensure they are directly linked to state-identified needs and the efficient and effective use of resources.

## **PROPOSED STATE OBJECTIVE**

*To assess the current policies and standards by which institutions are authorized to exceed or change their designated degree levels to meet state-identified needs, ensuring that resources are used effectively and efficiently.*

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## **WORKFORCE DEVELOPMENT**

### **THE ISSUE**

- The economy is driven by knowledge, information, and technology. Intellectual capital will underpin prosperity, and higher education must play a pivotal role in addressing the challenges of the future.

- The demography of our state and country are creating significant education and workforce development challenges with implications for all sectors of New Jersey's higher education system.

New Jersey competes with other states and other nations for high-tech entrepreneurs, companies, and technically trained workers. The future workforce will need not only technical skills and knowledge related to professions but also skills in critical thinking, problem solving, leadership, and communication, as well as an understanding of the global and culturally diverse human environment. Workforce development is a key function for the state's higher education system, which must adapt to the new skills needed, the new workplace relations, and the new emerging industries to sustain New Jersey's economic competitiveness.

Our world is ever more dependent on change – change in how we live, the work that we do, how we do that work, and how we interact with each other, with our society, and with the world at large. A great deal of this change is technological and requires increasing levels of skills, different skills, and the ability to adapt to different organizational and business structures. Some of the change is social and demographically driven. All of these changes place new demands on our education, training, and workforce development institutions and processes.

The education of people includes the education of workers, and given the rapidity of change and its penetration into all aspects of our lives, continual education, training and development of people is required for the economic success of individuals, for the economic success of New Jersey businesses, and for ensuring the quality and richness of life for each person.

Immigration into the U.S. during the 1990s (approximately 8 million) was the highest into the country since the decade of 1901 to 1910 (8.7 million). In New Jersey, over 15% of the population is foreign-born and the state ranks 4<sup>th</sup> in the country in the percentage of foreign-born residents. New Jersey typically ranks 5<sup>th</sup> in terms of total annual immigration (usually following states with larger total populations).

All types of colleges and universities in New Jersey have opportunities and responsibilities for workforce training and development created by this combination of unprecedented technological and organizational change and the changing demography of our state. Language education, English as a second language, computer and technological competence, problem solving skills, team work, new learning techniques, lifelong learning, scientific research skills, professional education and continued certification, vocational and technical skills, and many other aspects of workforce development are essential responsibilities of higher education.

## **VARYING PERSPECTIVES**

Need for Increased Responsiveness: Colleges and universities should be more responsive to the workforce development needs of the state. Institutions do mount new degree programs but far too many of them are driven by faculty or institutional interests rather than regional or disciplinary needs. Higher education should be more proactive in identifying new careers and areas of study where current educational offerings will not be sufficient to meet the needs in either quantity or quality. Higher education also needs to do more to increase prospective and current students' awareness of career opportunities, to better support developing and evolving careers, and to strengthen continuing education and life-long learning.

Advisory Boards: Business advisory boards are an effective means of keeping important lines of communication active between the workplace and colleges and universities. Noncredit programs developed specifically to meet customized training needs have proven to be very effective. Many degree programs fail to adequately address new and emerging issues and approaches that are important in the workplace. Further, many new programs are initiated and implemented without the support of advisory boards that could provide guidance with respect to curriculum and instructional methods responsive to the needs of employers.

Resource Limitations: New Jersey's colleges and universities are often limited in their responsiveness to emerging workforce needs due to lack of sufficient resources to mount new programs.

Entry-Level Training: Technical training should be a top priority in the state's workforce development. Scientists, engineers, and other professionals are often drawn from a broad regional, national, or global marketplace, whereas, entry-level technicians are drawn from the local labor market. Entry-level technical training is often best accomplished through short-term, noncredit or nondegree programs.

## **PROPOSED STATE OBJECTIVES**

*To foster institutional program development and enhancement by assessing the state's workforce needs and providing incentives to meet the most pressing needs through targeted state funding.*

*To improve the preparation of all students for successful participation in the state's workforce with a special focus on entry-level skilled workers for key sectors of the state's economy.*

*To create systemic statewide dialogue and collaboration between the higher education and business communities and other appropriate stakeholders, articulating business needs, institutional resources, and new and innovative means of addressing workforce development needs.*

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## **SYSTEMIC COLLABORATION: PREKINDERGARTEN TO GRADUATE SCHOOL**

### **THE ISSUE**

- The entire education system, from preschool through graduate school, must work together and be held accountable for meeting the need for a prepared workforce and a literate citizenry with critical thinking skills.
- Collaboration across the education spectrum is necessary to improve the quality of life, maximize human potential, instill democratic principles, and achieve excellence and global success.
- National reports indicate a growing societal emphasis on early childhood, elementary, and secondary education and stress the need for higher education to support students in the transition from high school to college and to improve teacher quality.

Seamless Student Preparation: The smooth transition of students between high school and college requires alignment between higher education admissions-related requirements and prekindergarten to grade 12 (P-12) curriculum frameworks, standards, and assessments. Failure

to develop such alignments has an impact on student decisions to attend college, the need for remediation, retention rates, time to degree completion, and potential duplication of courses.

The fact that remediation is a core function of higher education indicates a disjuncture between P-12 and higher education policy and planning and calls for systemic collaboration. Data are not available regarding the extent of remedial need among all New Jersey college freshmen, but on the national level reports indicate that approximately 4 in 10 students enter college with some form of developmental education need.

Teacher Quality: Evidence abounds that the quality of the teacher in the classroom is the single most significant school-based factor in student achievement. There is an unprecedented convergence of opinion among policymakers and educational leaders on the need to improve teacher quality in order to improve student-learning outcomes. This consensus around the need to ensure the effectiveness of teachers comes at a time when the nation estimates the need for more than two million new teachers in this decade. There is also a pressing demand for more teachers in New Jersey in specific shortage areas, such as math, science, and special education. In addition, the state needs hundreds of certified preschool teachers to fulfill the mandate of the *Abbott v. Burke* Supreme Court decision. The challenge facing higher education institutions and schools is therefore twofold – to prepare substantially more teachers and to ensure that both new and extant teachers have the skills necessary to improve student achievement with an increasingly diverse student population. This is a challenge for senior colleges and universities with approved teacher preparation programs as well as for community colleges, which provide the first two years of education for many prospective teachers. It is also a challenge for the preparation of teachers through alternative programs.

New Jersey has recently taken some steps to improve the preparation and professional development of teachers. However, projected shortages of qualified teachers, particularly in certain fields of study and geographic regions, require additional planning and improvement.

## **VARYING PERSPECTIVES**

Increased Collaboration: Systemic collaboration among higher education and P-12 institutions should be a state priority. A closer working relationship should be established at the state level and among schools and colleges and universities at all levels to focus on student transition and achievement issues and teacher quality. There are collaborative programs at the state and institutional levels that have proven to be effective in each of these areas such as urban teaching academies, college bound programs, and dual credit programs for high school students. Successful programs should be enhanced, expanded, and used as models to replicate. Additionally, increased collaboration to assist low-achieving students and schools should be encouraged by the state.

Expand focus beyond teacher quality: While addressing teacher quality within the P-12 sector is important, the quality of education P-12 students receive also requires high-quality school leaders like principals and superintendents and high-quality faculty at the college and university level both within schools of education as well as in the liberal arts and sciences. The initial training and opportunities for development afforded to these other critical players must also be addressed.

Strengthen correlation between core curriculum standards and postsecondary admissions requirements: Too often, students are certified to leave one segment of their educational experience without the competency to enter another segment – to the dismay of both segments and the students as well. Without a direct alignment of the core curriculum standards with postsecondary admissions expectations and requirements, preparation will continue to be inadequate and seamless transition impossible.

Strengthen correlations between core curriculum standards, licensure standards, and teacher education: Only through more effective teacher preparation will P-12 education improve. The courses and requirements of teacher education must be tied to both the core curriculum content standards and teacher licensure standards. Otherwise, teacher education programs will be inadequate to fulfilling their task: to develop, ensure, and assess the content knowledge and pedagogical skills of teacher candidates necessary to support student achievement of the core curriculum content standards.

Expand the focus of systemic collaboration beyond P-16: As critical as collaboration is to P-16, it is equally imperative at the two ends of the spectrum that encompass P-16. Education does not begin at preschool; it commences at birth. It also does not end with the attainment of a degree; it should be life-long. Colleges and universities can and should be involved in meeting these needs. For example, higher education institutions can support family literacy initiatives. Children whose parents can read have a much better chance of learning to read than those who do not.

## **PROPOSED STATE OBJECTIVES**

*To develop widespread collaboration between the P-12 and higher education communities, focusing efforts on improving the quality of teaching, from preschool to college, and closing the academic achievement gap between economically or educationally disadvantaged students and other segments of the population.*

*To prepare a sufficient number of P-12 teachers to meet growing needs, using a standards-based approach and an increased focus on diversity education and issues for both traditional and alternate route teacher preparation programs.*

*To smooth the transition of students from high school to college and diminish the need for remediation of students enrolling in college directly from high school by strengthening the correlation between core curriculum standards and postsecondary admission requirements.*

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## **PARTNERSHIPS WITH BUSINESS AND INDUSTRY, THE GOVERNMENT, AND NONPROFIT SECTORS**

### **THE ISSUE**

- Nationally, the successful collaborative efforts of government, higher education, nonprofits, and the private sector are setting states apart as leaders in the new economy.
- States excel as a result of their ability to mobilize well-educated individuals and resources necessary to transfer innovations into new business strategies and commercial products.

The knowledge-based economy has placed greater demands on higher education with expectations to be more responsive to societal and economic needs. To do so, the higher education community will need to expand its partnerships within the academic community and with the business, nonprofit, and government communities.

By definition, a partnership requires that all parties invest in and benefit from the arrangement. Many of our higher education institutions have entered into successful partnerships with external entities in both the private and public sectors. Such partnerships can be simple or complex, informal or formal; they can support the intellectual, cultural, and economic growth of the state. Through partnerships, policymakers, business leaders, educators, and other citizens become more aware of the role higher education performs in identifying, analyzing, and responding to regional, state, national, and global needs.

Partnerships among schools, higher education, and business will be particularly important in the overall improvement of education. Similarly, partnerships involving education institutions, government, business and industry, and other related entities are essential to aggressively address the challenges of the future and seize opportunities to enhance social and economic prosperity of the state.

## **VARYING PERSPECTIVES**

Clusters of innovation: Clusters of innovation are geographic concentrations of competing and cooperating companies, suppliers, service providers, and associated institutions such as universities, trade associations, government institutions, and other organizations that provide training, education, information, research, and or technical support. Such clusters have proven to be a dynamic means of advancing state and regional economic competitiveness and thereby enhancing quality of life. New Jersey should follow the lead of North Carolina, Michigan, California, and other states that have developed critical masses of research personnel at universities and linked them to public and private resources, institutions, and capabilities to create clusters of innovation in areas that are state priorities.

*(This perspective falls under R&D as well.)*

Urban Initiatives: The powerful synergy of government, higher education, and private/nonprofit sector collaboration should be focused to a large degree on urban-based economic and societal initiatives. Our urban centers are critical to the future of the state and country. Creative partnerships involving workforce development, business development, and the development of human potential are essential to rebuilding our urban centers.

Workforce Readiness: Increased communication and collaboration is necessary among higher education institutions, business and industry, and public sector employers to ensure students are prepared with the basic and professional skills needed in the workforce. Employers should not have to retrain graduates; they should have basic, professional, practical, and cultural skills and knowledge. Enhanced linkages between institutions and employers become even more critical as the population becomes increasingly diverse. In addition, institutions will need to provide opportunities for continuing education to address changing workplace needs and changes in career paths. Increased opportunities for joint curriculum development or employer advisory groups regarding curriculum would be very beneficial.



Link Efforts: Partnerships with business and industry, the government, and the nonprofit sector have already shown positive results in New Jersey. Research and development, business incubators, and workforce development have benefited from coordinated state efforts through agencies such as the Commission on Science and Technology, the R&D Council, Prosperity New Jersey, and the State Employment and Training Commission. Communication and collaboration are essential to ensure that these types of efforts are linked, mutually supportive, and coordinated.

## **PROPOSED STATE OBJECTIVES**

*To create and nurture clusters of innovation, linking public and private resources, institutions, and capabilities to advance state and regional economic competitiveness and quality of life.*

*To increase the linkages between corporate and institutional R&D and workforce development, encouraging faculty collaboration with industry and fostering broad-based industrial/public sector advisory boards at all levels of higher education.*

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## **PERSONAL DEVELOPMENT/LEADERSHIP/CITIZENSHIP/RESPECT FOR OTHERS**

### **THE ISSUE**

- Higher education's role in personal development and the promotion of empathy, social and ethical responsibility, citizenship, leadership, and respect for cultural and intellectual differences is increasingly important to sustaining a healthy, productive society and economy for New Jersey.

One of higher education's core functions is to prepare students broadly for life's challenges. In addition to career preparation, college students require an understanding of historical, philosophical, cultural, and political perspectives that foster respect for other people and times and heighten their sense of social and ethical responsibility. Knowledge and personal development are essential to combating prejudice, poverty, illiteracy, and crime. Colleges and universities play a significant role in such efforts, providing knowledge through academic programs and research, public service through multiple means, and campus environments that model cooperation and respect for students and the community alike.

Ethics, citizenship, and leadership are the underpinnings of a functioning democracy. Institutions must provide opportunities for students to reflect upon their personal ethics, the responsibilities of citizenship, and the demands of leadership.

### **VARYING PERSPECTIVES**

Increase Diversity. As New Jersey's population becomes increasingly diverse, the community of students, faculty, staff, and administration within the higher education system should reflect the state's rich ethnic, cultural, and racial backgrounds. At the same time, both on campus and in the larger community, there is a need to bring together diverse populations and promote a sense of harmony and respect. Specific initiatives will be necessary to generate the desired diversity on campuses, which can serve as models for the larger community.

Expand Focus on Ethics. The recent corporate scandals as well as studies of academic integrity that reveal an increase in cheating among college students point to a need for ethics to be infused into students' higher education experience. Ethics should be incorporated across the curriculum of colleges and universities rather than being addressed through one or two stand-alone ethics courses.

## **PROPOSED STATE OBJECTIVE**

*To encourage and support specific state and campus initiatives to better reflect the state's ethnic, cultural, and racial backgrounds within the community of students, faculty, staff, and administrators and to build on that diversity to promote social and ethical responsibility and understanding and the development of responsible citizens.*

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## **PUBLIC SERVICE ROLE**

### **THE ISSUE**

- Public service is an integral role of higher education that directly improves the quality of life in New Jersey.
- College and university service promotes democratic principles, helps to maximize human potential, and responds to needs of campus and local communities, schools, business and industry, elected officials, state and local agencies, citizen groups, and individual citizens.

Colleges and universities provide public service through administrators, faculty, staff, and students. In some cases it is the application of professional expertise to real social or economic problems, and it is directly linked to teaching and research, and in other cases it is not. Some examples of higher education public service include:

- continuing education
- public school reform
- community development
- public affairs and policy research
- service on national or international panels or work groups
- job training programs
- internships and volunteerism
- clinics and health care
- cooperative extension service
- public access to libraries
- cultural and sporting events

Public service undertaken by New Jersey's higher education institutions often involves partnerships with other entities to improve the conditions within a specific locality, and efforts are frequently focused on urban or depressed areas. The social and economic impact of such service is often dramatic. Several higher education service partnerships in New Jersey have shown valuable results, largely due to long-term commitments and efforts by the various entities involved.

Volunteerism, one form of college and university service, has a significant economic impact. It is estimated that the national value of volunteer service of students alone in 1999-2000 was more than \$17.2 billion. Added to the social benefit of the volunteer efforts, the impact is significant.

## **VARYING PERSPECTIVES**

Competing Priorities: The mission of higher education traditionally has included three components: teaching and learning, research, and service. There is some debate, however, over the appropriate balance among the three. Most feel that the first priority must be the education and personal development of students in order to produce good citizens and an educated workforce. Research, both pure and applied, tends to be closely tied to teaching and supported because of its ultimate value to society. At the same time, colleges and universities are expected to respond to external constituents and serve the public through service. There is an ongoing competition for scarce resources, both human and monetary. In times of economic downturn and fiscal constraints it is very difficult for institutions to maintain public service efforts as well as a focus on excellence in teaching and research.

Public Service Responsibility: Colleges and universities should be state and national leaders in public service. They should reflect the value of service in their teaching and research and encourage public service internally and externally, fostering democratic principles and maximizing human potential. The types of higher education public service are extremely diverse, with some being very intentional public service, such as cooperative extension centers, and others resulting in a public service incidentally, such as concerts that are part of the academic program but are open to the public. Both the intentional and the incidental service are critical aspects of the higher education mission and should be advanced and supported to continue enhancing human development and meeting other societal needs. There should also be better mechanisms developed to document higher education's public service activities.

## **PROPOSED STATE OBJECTIVE**

*To engage students, faculty, and staff in public service on- and off-campus, reaching out to the community, state, nation, and world and imparting lifelong civic responsibility.*

## **IV. HIGHER EDUCATION QUALITY AND REPUTATION AND COMPETITIVENESS OF THE STATE**

The reputation, quality, and overall contributions of the colleges and universities in a state have an enormous impact on the competitiveness of the state and its economic and societal well-being. The reputation of a state's higher education system is shaped by the quality of teaching, research, and public service provided by colleges and universities. It is also shaped significantly by student outcomes and the quality and contributions of college and university programs, centers, and institutes.

Deliberate state planning and policy development are necessary to advance the state's prosperity and leadership role in the world economy through the quality of its higher education system.

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### **EXCELLENCE IN TEACHING AND LEARNING, RESEARCH, AND SERVICE**

#### **THE ISSUE**

- Higher education that is recognized for the quality of its teaching and learning, research, and service is vital to a state's economic, social, and cultural well-being.
- Students, faculty, and employers are drawn to high-quality college and university programs, research, and services.
- Basic and applied research is essential to educational, social, technological, and economic progress and innovation.
- Public service promotes good citizenship and improves the quality of life in New Jersey.

Teaching and Learning: Teaching and learning is at the core of higher education's mission; it prepares individuals for fulfilling lives, productive careers, and lifelong learning. The degree to which an institution accomplishes its teaching/learning mission is a measure of its excellence. It is the key to preparing a highly skilled workforce for the future and enabling students to achieve their maximum potential. High-quality academic programs are increasingly important if New Jersey wishes to attract and retain more of its high-achieving students, as well as excellent students from out of state, to become engaged citizens and leaders of the future.

Research: Research and scholarship are integral to teaching, learning, and the creation of new knowledge. They ignite creativity and innovation and enhance teaching and learning at both the undergraduate and graduate level. The educational, social, and economic returns from investing in research are enormous, affecting health, environmental, and other quality-of-life issues as well as specific industry and government needs. High-quality academic research serves as a magnet to attract outstanding students and faculty to institutions, which in turn generates additional research funding. Industries elect to locate or remain in regions where top-quality research is taking place, thereby creating jobs and encouraging greater educational attainment in those regions. While New Jersey's higher education institutions have made respectable progress in expanding research expenditures between 1991 and 2000, they still lag far behind the nation in terms of per capita federal funding, which is partly explained by the state's relatively small higher education system.

Service: A commitment to service is deeply embedded in the mission of colleges and universities and is integral to teaching and learning. While service activities differ across institutions, academic and other resources are utilized to varying degrees to solve problems and improve academic professions and the campus, community, state, nation, and world. Service activities include such things as work on university committees or in professional organizations; service learning; advisement to hospitals, communities, industry, and government; research and service centers to work on social or economic issues; athletic and cultural events to promote social and economic development; and a civic engagement in volunteer work. When service learning and volunteerism are integral parts of the campus and education, students develop lifelong civic, social, and leadership skills.

Excellence in teaching and learning, research, and public service is essential to an outstanding, competitive system of higher education. The development and maintenance of such a system require planning, investment, and commitment.

### **VARYING PERSPECTIVES**

Investment for Economic and Social Well-being: Sustaining a higher education system that encompasses excellence in teaching and learning, research, and service should be a high state priority; it should not be viewed as secondary or discretionary when it comes to state support. Investment in teaching/learning and research is not so much a choice but a strategic imperative if New Jersey is to promote societal well-being and its economic infrastructure, which has become increasingly dependent on high technology. Investments in research must be integrated with our teaching and learning system in order to sustain innovation, economic competitiveness, and the public good. It is incumbent upon all institutions of higher education and the state to provide access to high-quality education for the citizens of the state, because education is a way out of the cycle of poverty and is the foundation for state prosperity.

Impact of Limited Funding: High-quality teaching and learning require a stable, accessible faculty and administrative staff with high morale, excellent facilities, up-to-date equipment and technology, and adequate and predictable resources. The state must support a system of higher education that is of high quality, and New Jersey institutions must use resources effectively and efficiently. The funding uncertainties that most institutions have faced in the last two decades have resulted in fundamental changes in the composition of the faculty and staff. Institutions rely more and more on part-time and/or nontenured faculty, who are less accessible to students during nonclass hours for tutoring, mentoring, and advising. Limited funding for facilities maintenance, capital construction, and technology and equipment has had a negative impact on the ability of students, faculty, and staff to meet their potential.

Effective Deployment of Faculty: Institutions must be responsive to the economic realities of the state and develop a workforce that is of high quality and yet flexible and accountable. Many programs (such as law, architecture, and health sciences) are enhanced by using faculty who are practitioners or clinical faculty, not full-time tenured faculty. These programs can be developed around a core of tenured faculty who are the education resource managers. Institutions should review the designs of their existing or developing programs and deploy faculty in the manner that provides the highest-quality teaching and learning without regard to historical staffing methods.

P-12/Higher Education Collaboration: To achieve excellence, education should be viewed as a continuum. Higher education's accomplishments depend a great deal on the efforts and success of the P-12 schools in the state. Colleges and universities must collaborate with the P-12 community in creating a high-quality educational system in New Jersey that meets the lifelong educational, cultural, and social needs of the citizens and results in the workforce necessary for a strong and growing economy.

Quality Through Public Service: New Jersey's colleges and universities must be committed to civic engagement and community involvement. Excellence cannot be achieved without this commitment. Institutions must not only encourage students, faculty, and staff to be engaged in service, but the institutions must reach out to the community and state and provide research, cultural activities, and collaboration with schools and businesses.

## **PROPOSED STATE OBJECTIVES**

*To recognize excellence in higher education as a crucial state priority and commit adequate and predictable resources to achieve excellence.*

*To achieve and sustain higher levels of excellence in teaching and learning, research, and public service, valuing differences in institutional missions.*

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## **STUDENT OUTCOMES**

### **THE ISSUE**

- The quality of student outcomes has a significant influence on the future of individual students as well as on the state's workforce and economic competitiveness.
- Successful student outcomes include personal development, marketable skills, good citizenship, and global responsibility as well as traditional academic accomplishments.
- Evidence of positive student outcomes, without regard to gender, race, age, or income, attracts students and faculty and encourages them to stay in New Jersey and become contributing members of society.

Quality in higher education historically has been measured by inputs such as the SAT scores of incoming students; degrees held by faculty and refereed publications generated; library holdings; and processes, such as programs offered, curricular requirements, and student support services. Colleges and universities are now increasingly expected to demonstrate that they provide added "value" to their students' educational development. The Middle States Commission on Higher Education, the accrediting agency for most New Jersey institutions, requires that institutions assess student learning outcomes. Evidence about student outcomes is to be used to make judgments about resource allocation in planning for overall institutional effectiveness and to enhance academic programs. The development and expansion of outcome assessments and the use of the results to improve the quality of programs is critical to the state's competitiveness in the future.

The ability of our institutions to demonstrate positive outcomes is increasingly important in today's knowledge-based economy. Empirical data clearly demonstrate the economic advantage to individuals as they obtain higher levels of education. According to the U.S. Department of

Labor, the earnings gap between college and high school graduates has grown from 38 percent in 1979 to over 70 percent today.

However, the value of the educational enterprise must go beyond the impact on future income for the student; institutions must demonstrate their value to the community and state as well. Students must develop personal, leadership, and workforce skills to maximize their potential, which in turn will maximize the human resources and economic competitiveness of the state. Outcome measures will necessarily differ among sectors and institutions based upon the mission, goals, and objectives of the institutions.

### **VARYING PERSPECTIVES**

Differentiated Assessment of Outcomes: Institutional success is judged by student outcomes, and student outcomes are greatly influenced by the student's educational status at the time of enrollment. Therefore, each institution's success needs to be measured in terms of the "value added" to the student. This varies considerably based upon the mission of the institution and the types of students it attracts and enrolls. However, all institutions should look beyond outcomes in a student's particular discipline to assess communication, critical thinking, citizenship, and leadership skills; the ability to continue learning; and the success of graduates in the marketplace.

Standard Assessment of Outcomes: New Jersey should establish clear standards by which institutional and student success are measured. These standards should be goals of all institutions without regard to institutional differences. Only by doing this, can the citizens be assured that they will receive a high-quality education without regard to which institution they attend.

Assessment Based on Individual's Goals: Success should be viewed in terms of students. There needs to be a way of measuring how each student's needs were met or whether or not they succeeded in meeting their individual goals. Therefore, it is not possible, or practical, to use statistical measures in determining student outcomes. For example, many students who attend colleges and universities leave without receiving a degree, either by design or because of other circumstances. Nevertheless, their lives may have been greatly influenced by faculty and staff advising, developing learning skills, scholarship, and commitment to service.

Expand Access and Success for Underserved: The economic success of a region depends upon the skills and success of its residents. New Jersey's economically depressed regions are home to the state's poor or immigrant population. They have little hope of transforming their lives without a high-quality education that will prepare them for the workforce and citizenship. Unfortunately, it is that same group of citizens that has been traditionally underrepresented on our college campuses. Education is a transformational process that positively influences the future of students. New Jersey has to develop a plan to recruit students from these groups, retain them through program completion, and break the cycle of poverty.

Degree Completion: The outcome that matters the most is degree completion. This is the main criterion that is viewed by business and society as a measurement of success. While students' personal decisions and other responsibilities have an effect on time-to-degree completion, so do institutional practices, including advising and class availability. Institutions should be striving to move students successfully and more expeditiously to degree completion, for the good of the

students and the state. The state should establish graduation rate expectations that all colleges and universities should work toward.

### **PROPOSED STATE OBJECTIVES**

*To ensure that students at New Jersey's public and private colleges and universities are able to maximize their potential as individuals and contributing members of society.*

*To improve performance in student outcome measures that are consistent with differing institutional missions, with a special focus on improving success of groups that have been traditionally underrepresented on our college campuses.*

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### **WORLD-CLASS PROGRAMS, CENTERS, AND INSTITUTES**

#### **THE ISSUE**

- The quality of a state's higher education system and its impact on the quality of life and competitiveness of the state is significantly shaped by the existence of world-class programs, centers, and institutes.
- World-class programs, centers, and institutes attract businesses and develop new businesses and technologies, which in turn create new jobs and enhance the economy.

World-class programs, centers, and institutes located within or jointly operated by colleges and universities in the state draw the best and the brightest students, faculty, and business partners to New Jersey and enhance the overall competitiveness of the state. National attention is currently focused on states that have successfully developed "clusters" of excellence around science, technology, and other areas of scholarship. Clusters are built on existing strengths in basic and applied research in colleges and universities and the corporate sector. These clusters drive state economies as they attract businesses, create jobs, and provide innovation, creativity, and intellectual synergy. The resulting growth and advancement in the economy require increased high-quality workforce development from colleges and universities, and the state gains a significant competitive edge as a result of the cluster of resources and expertise. The higher education contribution to these clusters is essential.

Prominent programs, centers, and institutes play an important role in New Jersey, enhancing human potential, health, and quality of life. For example, outstanding teacher preparation programs contribute significantly to school reform efforts to improve the quality of teachers and student achievement across the state; cultural activities are sometimes based on an outstanding arts program at a college; and health care that would otherwise be unattainable is accessible to residents through university centers and institutes.

Specific programs, centers, and institutes that have distinguished themselves regionally or nationally enhance the reputation of a state's higher education system. They contribute to the state and its people and raise the quality of the state's higher education system as a whole. As they gain recognition and support, they foster more creativity and innovation in an ever-expanding circle of excellence. New Jersey has great potential to excel in this regard and advance the state's overall competitiveness in the global economy.



## **VARYING PERSPECTIVES**

Investment for Economic Growth: New Jersey has not sufficiently developed prominent programs, centers, or institutes that are considered to be among the best in the region, nation, or world. Without a cadre of such programs, the state will continue to lag behind states with which it hopes to compete. New Jersey should build on its strongest college and university programs, centers, or institutes in collaboration with other entities to develop high orders of intellectual activity in targeted areas. Resulting clusters of innovation will constitute a critical mass, bringing together parties to increase per capita wealth and create momentous benefits from interactions between and among those entities. Higher education is integral to clusters of innovation, which should be well-planned and defined, avoiding duplication and using resources wisely through interinstitutional cooperation and collaboration. Such investment in world-class programs, centers, and institutes must not be seen as a zero-sum game. It should be a focal point for additional levels of support to construct public/private partnerships, not competition for institutional funding for basic programs and services.

Investment for Societal Benefit: The state also needs to be supportive of world-class centers and institutes that are focused on arts, citizenship, teaching and learning, and other areas that are of considerable import to society and have an indirect economic effect as well. World-class centers focused on excellence in meeting societal needs will have a major impact on maximizing human potential, fostering democratic principles, and improving quality of life.

Transformational Approaches: Innovation and transformation are often the roots of world-class centers, institutes, and programs. Innovation in instruction may mean greater use of part-time faculty or a different use of existing faculty and technology. Change should not be stifled by tradition or what was once the norm. To provide for clusters of innovation, we must be prepared to provide transformational approaches to organizational structure, staffing, and relationships among institutions, both educational and noneducational.

Prioritize Scarce Resources: Hundreds of centers and institutes are located in colleges and universities across the state. Although their work is very important and should be continued, additional state or institutional support to make them competitive nationally will draw resources away from the fundamental purpose of education. The state should not divert scarce resources to targeted institutes or centers when basic educational programs are suffering from growing reliance on adjunct or part-time faculty, as well as unmet equipment, maintenance, and renewal needs. A strong foundation of full-time, committed faculty members is essential to excellent higher education programs; they are critical to the quality of teaching and learning, student outcomes, and institutional reputation. Similarly, the condition of the classrooms and library and availability of current technology and other equipment also affect each of those areas. These fundamental aspects of quality should be the first priority.

## **PROPOSED STATE OBJECTIVES**

*To create and nurture world-class centers, programs, and institutes to increase knowledge, economic prosperity, and quality of life.*

*To develop clusters of innovation through public/private partnerships in targeted areas to create a critical mass that enhances economic competitiveness and quality of life.*

## **REPUTATION/IMAGE/VISIBILITY**

### **THE ISSUE**

- The reputation and image of the state's higher education system directly affect the desirability of the state as a place to attend school, to operate a business, to pursue a career, and to live. The effect of that reputation on New Jersey's economy cannot be underestimated.

New Jersey's success in developing a reputation as a state with a system of higher education that is among the best in the world depends on the accomplishments in the previous three sub-issues: excellence in teaching and learning, research, and service; evidence of exceptional student outcomes; and world-class programs, centers, and institutes.

States that are in the forefront nationally in terms of economic growth and quality of life depend on the image and visibility of their colleges and universities, which are considered a part of the fundamental infrastructure that distinguishes those states. The role of higher education in New Jersey cannot be viewed as a secondary or discretionary function; it is vital to the continued health and vitality of the state and its citizens.

The state and institutions must work together to build on the existing foundation of excellent teaching and learning, research, and service and enable New Jersey to create and sustain a system of higher education that is recognized as competitive with the best in the world. The personal, social, and economic results will be immeasurable.

### **VARYING PERSPECTIVES**

Build Awareness of Strengths: The image of the state and its higher education system really does make a difference. It has a significant effect on attracting high-quality students and faculty to the state's colleges and universities, and it can draw corporations and small businesses to the state, thereby generating jobs and new state revenues. The state has a responsibility to promote awareness of New Jersey's areas of strength. We must effectively communicate our reputation, programs, and vision to the citizens of New Jersey and the nation. We cannot rely on the "build it and they will come" theory. We must influence perceptions that will enable us to continue to engender broad support.

Standards of Excellence: New Jersey needs to establish clear standards of excellence in teaching and learning, research, and service against which progress is measured. Without such clear standards, it is neither possible to determine what is meant by "excellence" nor to determine if excellence has been achieved.

Enhance Quality and Reputation: New Jersey has not capitalized on higher education to enhance its economic competitiveness and quality of life. It is too often considered a discretionary area for funding. But it must be a top priority if New Jersey is to be recognized as a leading state in education and economic development. The state needs to invest in its college and university system to enhance quality and build the reputation that will attract and retain more academically talented students and high-quality faculty to New Jersey institutions of higher education.

Status Quo: There is no need to engage in image building to try to get students to stay in state to attend college or to build support for the higher education system. New Jersey has one of the

highest levels of educated citizenry despite the high rate of students that leave the state to attend college and the low rate of students who come from other states or countries. Moreover, the state has little trouble attracting a well-educated workforce, regardless of where they attended college. Institutions have the wherewithal via tuition and fees to raise the revenue they need to operate and flourish.

## **PROPOSED STATE OBJECTIVES**

*To position higher education in the forefront of the state's ongoing strategic planning and development.*

*To invest in and improve the reputation, image, and visibility of New Jersey's public and private colleges and universities in order to compete successfully for students, faculty, and administrators as well as business and industry partnerships.*

*To document the achievements of New Jersey's public and private colleges and universities in meeting state needs, using institutionally defined standards of excellence.*

## APPENDIX A

### **FRAMEWORK FOR LONG-RANGE PLANNING PROCESS**

#### **Identify higher education community groups/representatives**

- Reach out to diverse constituent groups and perspectives

#### **Review vision for higher education in New Jersey**

- Align with state priorities and needs
- Reflect general themes in institutional vision/mission statements
- Reach consensus on vision for the future

#### **Identify issues**

- Consider state and institutional priorities and needs as well as nationally identified trends/concerns
- Agree upon the key issues to address in the long-range plan
- Develop overview of each key issue
- Summarize varying perspectives on the most challenging issues
- Propose objectives that reflect state priorities and needs

*(Completion to this point to lay the groundwork for the Governor's Summit in the fall.)*

#### **Create specific action plans and performance measures**

- Implement specific tactical plans to address the key issues
- Develop specific metrics to assess progress
- Monitor status regularly

*(Completion for Governor's Summit in the spring.)*

## APPENDIX B

### Steering Committee

Laurence Downes, Commissioner, **Committee Chair**  
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Stuart Cook, President, University of Medicine & Dentistry of NJ  
Lucille Davy, Special Counsel to Governor for Education  
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William Freeman, Commissioner  
Kenneth Hahn, Board of Trustee Member, Centenary College  
Amy Handlin, Commissioner  
Alfred Koeppel, Commissioner  
Eugene O'Hara, Board of Governors, Rutgers University  
James Perry, Board of Trustee Member, Union County College  
George Pruitt, President, Thomas Edison State College  
Henry Pruitt, Board of Trustee Member, William Paterson University  
Sister Patrice Werner, President, Caldwell College  
Edward Yaw, President, County College of Morris  
James E. Sulton, Jr., Executive Director, Commission  
Jeanne Oswald, Deputy Executive Director, Commission

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Al Koeppel, Commissioner, **Co-Chair**  
Jack Noonan, President, Bloomfield College, **Co-Chair**  
Stuart Cook, President, UMDNJ  
Mariann Farabaugh, Student College Coalition  
Mildred Garcia, President, Berkeley College  
Carlos Hernandez, President, New Jersey City University  
Audrey Loera, President, NJASFAA  
Dan O'Connor, President, NJ State Conference of the AAUP  
Marla Ucelli, Trustee, Union County College  
Judith Winn, President, Bergen Community College

### Issue Organization Team

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Amy Handlin, Commissioner, **Co-Chair**  
Don Farish, President, Rowan University, **Co-Chair**  
Bob Bocchino, President, DeVry College of Technology  
Albert Budet, Hispanic Association /Higher Education of NJ and EOF  
Peter Contini, President, Salem Community College  
Saul Fenster, President, NJIT  
George Laskaris, Executive Director, NJEDge.Net  
Henry Pruitt, Trustee, William Paterson University  
Diane Schwartz, Executive Director, National Conference on Community & Justice  
Kathleen Scott, Biology Professor, Rutgers University  
Msgr. Bob Sheeran, President, Seton Hall University

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Nancy Winterbauer, Vice President, Rutgers University  
Elizabeth Wong, Executive Director, Higher Education Student Assistance Authority

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Harry Capers, NJ PTA  
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David Fricke, New Brunswick Islamic Center  
Mary Jo Greco, President, Gibbs College  
Darryl Greer, Executive Director, NJASCU  
James Harris, 1st Vice President, New Jersey NAACP  
Nancy Hazelgrove, Director, NJ Statewide Transfer Initiative  
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## APPENDIX C

### **The Commission on Health Science, Education, and Training**

At the request of Governor James E. McGreevey, the Commission on Health Science, Education, and Training (the Commission) has assessed medical and allied health care education in the state and formulated recommendations designed “to enhance the quality of education, to increase their overall competitiveness as institutions of health care learning, and to foster healthy synergy amongst these institutions.” Based on this assessment, the Commission hereby submits to the Governor this Report of The Commission on Health Science, Education, and Training (the Report).

With advances in knowledge, technology, and increasing national wealth there has been expansive growth of health care institutions, such that medical care now constitutes approximately 13 percent of the American economy.<sup>1</sup> Moreover, health research and education reach more and more deeply into many areas of knowledge from physics, biology and the mathematical sciences to the behavioral sciences, engineering, business, philosophy and history, among others. The reach of health across research and scholarship is increasingly illuminating the determinants of health and providing challenges and opportunities for scholars in a wide range of disciplines and schools to develop theoretical and analytic perspectives in their own areas of knowledge and to take advantage of research opportunities in health related areas. In such diverse fields as the material sciences, artificial intelligence, psychology and ethics, increased access to medical settings and collaboration with health scientists provide extraordinary opportunities for synergy.

Because the University of Medicine and Dentistry of New Jersey (UMDNJ) is the only provider of medical education and a major provider of allied health education in the state, it was initially the focus of the Commission’s work. However, it soon became clear that understanding the full potential of research and clinical developments in medical science and technology required a more far-reaching inquiry into synergies available through potential alliances outside the health sciences university. With the Governor’s consent and consistent with Executive Order No.14, the Commission thus conducted a targeted analysis of the quality and systems of Rutgers, The State University of New Jersey (Rutgers), with focus on its health science and related offerings. In making its recommendations, the Commission strived to assess the impact of our recommendations on the comprehensive educational enterprise as well as the health sciences. Responding to a specific request from the Governor, the Commission also summarized national trends in hospital ownership and best practices and makes several overarching recommendations regarding University Hospital in Newark.

Our recommendations emerged as we analyzed publicly available information, benchmarked major quality-related measures; visited top schools nationwide; interviewed UMDNJ and Rutgers leaders and faculty as well as New Jersey Institute of Technology (NJIT) leadership; sought community input through public hearings; and leveraged the expertise of Commission members, many of whom have managed universities, health schools or hospitals. In

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<sup>1</sup> *Health Affairs*, 2002, Volume 21, Number 1.

combination, these activities enabled the Commission to evaluate the various accomplishments and inherent shortcomings of the existing institutions.

Based on our assessment, the Commission recommends that the state:

- ¶ Create a single New Jersey research university system (herein called, the University of New Jersey or UNJ)<sup>2</sup> that builds on the collective strengths of the eight UMDNJ schools and the schools and programs of Rutgers and NJIT and thus creates an effective platform for excellence in both health and non-health disciplines. Using other successful state university systems as models, the University of New Jersey system would:
  - Encompass three universities: UNJ-North (Newark), UNJ-Central (New Brunswick/Piscataway), and UNJ-South (Stratford/Camden). Each university would have significant academic and administrative autonomy. This would give each community its own largely independent university.
  - Reduce the size of central administration: the UNJ system chancellor would be responsible for functions such as hiring university presidents, writing the budget requests, approving new schools, system-wide planning, and relations with government and other external parties.
- ¶ Ensure best practices in governance and leadership of UNJ at the state, university system, and university level. This would involve establishing appropriate structures and roles (i.e., Board of Regents, university system chancellor, university presidents, and University Advisory Boards).
  - These structures should be populated with exceptional leaders with deep academic experience and commitment. Top schools make a priority of hiring distinguished leaders at the system, university, and school level. These were not just accomplished administrators but nationally renowned academics who brought a clear vision for how to achieve excellence and were able to rally others around that vision.
- ¶ Ensure best practices for processes and funding. Process reforms should include implementing a standard budgeting and reporting system and better knowledge sharing systems, focus on hiring faculty with high potential, encouraging top New Jersey high school students and outstanding graduate students to seek admission to UNJ. With respect to funding, the Commission endorses the state's commitment to funding two-thirds of educational and general costs for research universities and 90 percent of these costs for health science students. Further, the Commission recommends that funding should not be reduced to existing schools as a result of these recommendations. UNJ and the state should consider adopting formula-based funding to improve transparency and predictability of appropriations.
- ¶ Should the Governor accept these recommendations, establish a Review and Implementation Task Force to assess the impact of the recommendations on health and

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<sup>2</sup> We would leave to university leaders and stakeholders the decision on the actual name to be adopted.

non-health schools and programs and complete the significant work required to turn the Commission's guidance into a blueprint for action.

The Commission separately examined the current ownership structure of University Hospital in Newark. The Commission recommends that the university maintain ownership of the University Hospital to best carry out the academic mission of the New Jersey Medical School and to ensure high quality ongoing service to the Newark community.

This summary is derived from the introductory section of the Executive Summary which describes – in brief – the findings that influenced these recommendations and our rationale in making them. The full report may be viewed at [www.state.nj.us](http://www.state.nj.us).

### **Chair**

P. Roy Vagelos, M.D., Retired Chairman and CEO, Merck & Co., Inc.

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